

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

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Lakewood, Colorado 80228-1898
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<https://crowfootmd1-2.colorado.gov>

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Chad Murphy	President	2022/May 2022
Richard Cross	Treasurer	2023/May 2023
Mitchell M. Peterson	Assistant Secretary	2023/May 2023
Ryan D. Marsh	Assistant Secretary	2022/May 2022
Collier Bailey	Assistant Secretary	2022/May 2022
Ann E. Finn	Secretary	

DATE: December 6, 2021

TIME: 1:00 p.m.

LOCATION: Zoom

This meeting will be held via Zoom Meeting and can be joined through the directions below:

Join Zoom Meeting

<https://us02web.zoom.us/j/89598386053?pwd=dmN5UHpFOXJ6akc1WkE3SzFEaUesyUT09>

Meeting ID: 895 9838 6053

Passcode: 208458

One tap mobile

+16699006833,,89598386053#,,, *208458# US (San Jose)

I. ADMINISTRATIVE MATTERS

A. Disclosure of Potential Conflicts of Interest.

B. Approve Agenda; confirm location of the meeting.

C. Review and approve the Minutes of the September 20, 2021 Special Meeting (enclosure).

D. Review and consider adoption of Resolution No. 2021-12-01; 2022 Annual Administrative Resolution (to be distributed).

1. Discuss scheduling regular meetings for 2022 (suggested dates are March __, 2022, June __, 2022, September __, 2022 and December __, 2022 at 1:00 p.m. or monthly meetings).
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II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
-

III. FINANCIAL MATTERS

- A. Review and accept unaudited financial statements for the period ending September 30, 2021 and the schedule of cash position updated as of November 22, 2021 (enclosure).
-
- B. Consider engagement of Fiscal Focus Partners LLC for preparation of 2021 Audit in the amount of \$5,700 (enclosure).
-
- C. Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolution No. 2021-12-__; Resolution to Adopt the 2022 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2022 Budget, and Resolution).
-
- D. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- E. Consider appointment of District Accountant to prepare the 2023 Budget and set budget hearing.
-
- F. Discuss and consider approval of a Master Service Agreement for Accounting Services between the District and CliftonLarsonAllen LLP (to be distributed).
-

IV. OPERATION AND MAINTENANCE MATTERS

- A. Discuss possible Service Agreements for 2022 Operation and Maintenance Services.
-

V. LEGAL MATTERS

- A. Consider adoption of Resolution No. 2021-12-___ Calling a Regular Election for Directors on May 3, 2022, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. Self-Nomination and Acceptance Forms are due by February 25, 2022. Discuss need for ballot issues and/or questions (to be distributed).
-

- B. Discussion regarding engagement of legal counsel.
-

VI. OTHER BUSINESS

- A. _____
-

VII. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2021.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 HELD SEPTEMBER 20, 2021

A Special Meeting of the Board of Directors (the “Board”) of the Crowfoot Valley Ranch Metropolitan District No. 2 (the “District”) was convened on Monday, the 20th day of September 2021, at 1:00 p.m. via Zoom Meeting. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Chad Murphy
Richard Cross
Mitchell M. Peterson
Ryan D. Marsh

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Matthew Ruhland, Esq.; Collins Cockrel & Cole, P.C.

Paul Wilson and Curtis Bourgouin; CliftonLarsonAllen LLP

Board Candidate; Collier Bailey; Hines Interests Limited Partnership

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State.

Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors’ Disclosure Statements have been filed.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed a proposed Agenda for the District’s Special Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Cross, seconded by Director Marsh and, upon vote, unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board noted that due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus, the meeting was held via Zoom Meeting.

Minutes: The Board reviewed the Minutes of the June 7, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Minutes of the June 7, 2021 Special Meeting were approved, as presented.

Resignation of Director: The Board discuss the resignation of Director John "Jay" W. Despard.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried the Resignation of Director John "Jay" W. Despard, effective as of June 11, 2021 was acknowledged.

Appointment of Director: The Board considered the appointment of Collier Bailey to fill the vacancy created by the resignation of John Despard.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, Collier Bailey was appointed to fill the vacancy created by the resignation of John Despard, subject to verification of qualification and Certification of Appointment and Oath.

Appointment of Officers: Upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Chad Murphy
Treasurer	Richard Cross
Secretary	Ann Finn
Asst. Secretary	Ryan Marsh
Asst. Secretary	Collier Bailey
Asst. Secretary	Mitch Peterson

RECORD OF PROCEEDINGS

**PUBLIC
COMMENT**

There was no public comment.

**FINANCIAL
MATTERS**

Unaudited Financial Statements: Mr. Bourgouin reviewed for the Board the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending June 30, 2021 and the schedule of cash position statement updated as of July 29, 2021.

Following review and discussion, upon motion duly made by Director Marsh, seconded by Director Murphy and, upon vote, unanimously carried, the unaudited financial statements and the schedule of cash position statement were accepted, as presented.

LEGAL MATTERS

There were no legal matters for discussion.

OTHER BUSINESS

There were no other matters for discussion.

ADJORNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

CROWFOOT VALLEY RANCH METRO DISTRICT #2

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

CROWFOOT VALLEY RANCH METRO DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
C - Safe	\$ -	\$ 773,396	\$ -	\$ 773,396
UMB Senior Bond Fund - Series 2018A	-	253,680	-	253,680
UMB Senior Surplus Fund - Series 2018A	-	2,959,666	-	2,959,666
UMB Senior Project Fund - 2018A	-	-	390,779	390,779
UMB Sub Project Fund - 2018B	-	-	3,279,276	3,279,276
Receivable from County Treasurer	954	1,783	-	2,737
TOTAL ASSETS	\$ 954	\$ 3,988,525	\$ 3,670,055	\$ 7,659,534
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Due to other districts	\$ 954	\$ -	\$ 396,393	\$ 397,347
Total Liabilities	954	-	396,393	397,347
FUND BALANCES				
Total Fund Balances	-	3,988,525	3,273,662	7,262,187
TOTAL LIABILITIES AND FUND BALANCES	\$ 954	\$ 3,988,525	\$ 3,670,055	\$ 7,659,534

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

CROWFOOT VALLEY RANCH METRO DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property Taxes	\$ 88,809	\$ 88,809	\$ -
Fire Protection Tax	29,971	29,971	-
Specific Ownership tax	9,503	8,728	(775)
Interest Income	20	4	(16)
Other Revenue	4,197	-	(4,197)
TOTAL REVENUES	<u>132,500</u>	<u>127,512</u>	<u>(4,988)</u>
EXPENDITURES			
County Treasurer's fee	1,332	1,332	-
County Treasurers Fee - Fire	450	450	-
Payment to Town	29,521	29,521	-
Intergovernmental expenditures	96,980	96,209	771
Contingency	4,217	-	4,217
TOTAL EXPENDITURES	<u>132,500</u>	<u>127,512</u>	<u>4,988</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METRO DISTRICT #2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property Taxes	\$ 222,024	\$ 222,025	\$ 1
Specific Ownership tax	17,762	16,313	(1,449)
Interest Income	18,913	1,112	(17,801)
Facilities fees	636,000	453,000	(183,000)
TOTAL REVENUES	<u>894,699</u>	<u>692,450</u>	<u>(202,249)</u>
EXPENDITURES			
County Treasurer's fee	3,330	3,330	-
Trustee Fees	6,000	-	6,000
Series 2018A Bonds Interest	1,824,819	912,409	912,410
Contingency	5,851	-	5,851
TOTAL EXPENDITURES	<u>1,840,000</u>	<u>915,739</u>	<u>924,261</u>
NET CHANGE IN FUND BALANCES	(945,301)	(223,289)	722,012
FUND BALANCES - BEGINNING	<u>4,255,403</u>	<u>4,211,815</u>	<u>(43,588)</u>
FUND BALANCES - ENDING	<u><u>\$ 3,310,102</u></u>	<u><u>\$ 3,988,526</u></u>	<u><u>\$ 678,424</u></u>

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**CROWFOOT VALLEY RANCH METRO DISTRICT #2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest Income	\$ 22,000	\$ 1,320	\$ (20,680)
TOTAL REVENUES	<u>22,000</u>	<u>1,320</u>	<u>(20,680)</u>
EXPENDITURES			
Intergovernmental Expenditure - District No. 1	<u>8,812,962</u>	<u>1,662,573</u>	<u>7,150,389</u>
TOTAL EXPENDITURES	<u>8,812,962</u>	<u>1,662,573</u>	<u>7,150,389</u>
NET CHANGE IN FUND BALANCES	(8,790,962)	(1,661,253)	7,129,709
FUND BALANCES - BEGINNING	<u>8,790,962</u>	<u>4,934,915</u>	<u>(3,856,047)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 3,273,662</u>	<u>\$ 3,273,662</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

On November 4, 2014, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of November 5, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

The District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.000 mills for operating costs. Additionally 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District. The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on June 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The property taxes levied are as shown on the Property Tax Summary Page.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8.0% of the total property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .50%.

Facilities Fees

Capital Fees are pledged to the payment of the Bonds and are generally defined to mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District at the time of issuance of the Bonds or thereafter, including Facilities Fees. The District is expected to adopt a Facilities Fee Resolution prior to the issuance of the Bonds. Capital Fees do not include Excluded Fees, which are defined in the Indentures as any fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

The Facilities Fee Resolution will impose a one-time fee in the amount of \$3,000 for each single-family or multi-family dwelling unit located within the District. The Facilities Fees are payable at the time a building permit is issued by the County for any dwelling unit. Facilities Fees are pledged to the payment of the Bonds.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Payment to Town

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 7.514 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

Series 2018 Bonds

One June 19, 2018 the District issued 2018A Senior Bonds and the 2018B Subordinate Bonds in the respective amounts of \$31,945,000 and \$3,260,000. Proceeds from the sale of the 2018A Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the 2018A Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds from the sale of the 2018B Subordinate Bonds will be used to: (i) finance or reimburse the cost of public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds are will bear interest at rates ranging from 5.625% to 5.750% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. The 2018B Subordinate Bonds are assumed to be issued at the rate of 8% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048.

The 2018B Subordinate Bonds will bear interest at 8.00% and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate then borne by the 2018B Subordinate Bonds on each December 15. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: a) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); b) all Senior Specific Ownership Tax Revenues, resulting from the imposition of the Senior Required Mill Levy; c) all Capital Fees; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds. Amounts on deposit in the 2018A Surplus Fund (if any) on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which is defined generally in the 2018B Subordinate Indenture as the following, net costs of collection: a) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); b) all Subordinate Specific Ownership Tax Revenues, resulting from the imposition of the Subordinate Required Mill Levy; c) all Subordinate Capital Fee Revenue; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Capital Fee Revenue is defined as any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. For the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2018A Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2018B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2018A Senior Bonds. Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed 2018A Senior Bonds and 2018B Subordinate Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuance of the District.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020										
G.O Bonds - Series 2018B Unpaid Interest	\$ 414,150	\$ 293,932	\$ -	\$ 708,082										
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">Balance at December 31, 2020</th> <th style="text-align: center; border-bottom: 1px solid black;">Additions</th> <th style="text-align: center; border-bottom: 1px solid black;">Reductions</th> <th style="text-align: center; border-bottom: 1px solid black;">Balance at December 31, 2021</th> </tr> </thead> <tbody> <tr> <td>G.O Bonds - Series 2018B Unpaid Interest</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 708,082</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 317,447</td> <td style="text-align: right; border-bottom: 3px double black;">\$ -</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 1,025,529</td> </tr> </tbody> </table>						Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	G.O Bonds - Series 2018B Unpaid Interest	\$ 708,082	\$ 317,447	\$ -	\$ 1,025,529
	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021										
G.O Bonds - Series 2018B Unpaid Interest	\$ 708,082	\$ 317,447	\$ -	\$ 1,025,529										

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases - (continued)

Leases

The District has no outstanding indebtedness, nor any operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

Surplus Fund

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds.

**CROWFOOT VALLEY RANC METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
LONG TERM DEBT**

Bonds and Interest Maturing in the Year Ending December 31,	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2021	\$ -	\$ 1,824,819	\$ 1,824,819
2022	-	1,824,819	1,824,819
2023	-	1,824,819	1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
	\$ 31,945,000	\$ 39,083,180	\$ 71,028,180

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Crowfoot Metropolitan District No. 2

Schedule of Cash Position

September 30, 2021

Updated 11/22/21

	General Fund	Debt Service Fund	Capital Projects Fund	Total
<u>CSAFE</u>				
Balance as of 9/30/21	\$ -	\$ 773,395.54	\$ -	\$ 773,395.54
Subsequent activities:				
10/01/21 - SDF Deposit	-	18,000.00	-	18,000.00
10/10/21 - Property Tax Receipt (Sept)	953.87	1,782.85	-	2,736.72
10/18/21 - SDF Deposit	-	9,000.00	-	9,000.00
10/31/21 - Interest Income	-	8.58	-	8.58
11/10/21 - Property Tax Receipt (Oct)	989.86	1,850.15	-	2,840.01
11/12/21 - Transfer to District No. 1	(953.87)	-	-	(953.87)
<i>Anticipated Transfer to District #1</i>	<i>(989.86)</i>	-	-	<i>(989.86)</i>
<i>Anticipated Transfer to Bond Fund</i>	-	<i>(804,037.12)</i>	-	<i>(804,037.12)</i>
Anticipated balance	-	-	-	-
<u>UMB - Senior Bond Fund Series 2018A</u>				
Balance as of 9/30/21	\$ -	\$ 253,679.69	\$ -	\$ 253,679.69
Subsequent activities:				
10/31/21 - Interest Income	-	2.45	-	2.45
<i>Anticipated Dec Debt Service Payment</i>	-	<i>(912,409.38)</i>	-	<i>(912,409.38)</i>
<i>Anticipated Transfer from Csafe</i>	-	<i>804,037.12</i>	-	<i>804,037.12</i>
Anticipated balance	-	145,309.88	-	145,309.88
<u>UMB - Senior Surplus Fund Series 2018A</u>				
Balance as of 9/30/21	\$ -	\$ 2,959,665.84	\$ -	\$ 2,959,665.84
Subsequent activities:				
10/31/21 - Interest Income	-	28.47	-	28.47
Anticipated balance	-	2,959,694.31	-	2,959,694.31
<u>UMB - Senior Project Fund Series 2018A</u>				
Balance as of 9/30/21	\$ -	\$ -	\$ 390,778.60	\$ 390,778.60
Subsequent activities:				
10/07/21 - Draw Request #33	-	-	(329,241.65)	(329,241.65)
10/31/21 - Interest Income	-	-	1.22	1.22
<i>Anticipated Draw Request #34</i>	-	-	<i>(52,256.46)</i>	<i>(52,256.46)</i>
Anticipated balance	-	-	9,281.71	9,281.71
<u>UMB - Sub Project Fund Series 2018B</u>				
Balance as of 9/30/21	\$ -	\$ -	\$ 3,279,276.04	\$ 3,279,276.04
Subsequent activities:				
10/31/21 - Interest Income	-	-	31.54	31.54
Anticipated balance	-	-	3,279,307.58	3,279,307.58
<i>Anticipated Balances</i>	\$ -	\$ 3,105,004.19	\$ 3,288,589.29	\$ 6,393,593.48

Yield information 10/31/2021:

CSAFE - .01%

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

Property Taxes Reconciliation

2021

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 26,263.29	\$ -	\$ 2,571.54	\$ -	\$ (393.95)	\$ 28,440.88	7.71%	7.71%	\$ 437.27	0.00%	0.00%
February	260,449.46	-	2,198.49	-	(3,906.74)	258,741.21	76.42%	84.13%	910.95	1.16%	1.16%
March	16,072.54	-	3,338.05	-	(241.09)	19,169.50	4.72%	88.84%	302.60	0.00%	1.16%
April	-	-	2,836.60	-	-	2,836.60	0.00%	88.84%	50,779.24	97.52%	98.68%
May	37,338.16	-	2,524.27	-	(560.07)	39,302.36	10.96%	99.80%	314.48	0.00%	98.68%
June	679.27	-	3,363.36	-	(10.19)	4,032.44	0.20%	100.00%	994.33	1.15%	99.83%
July	-	-	2,785.04	-	-	2,785.04	0.00%	100.00%	540.69	0.17%	100.00%
August	-	-	2,689.09	-	-	2,689.09	0.00%	100.00%	392.79	0.00%	100.00%
September	2.57	-	2,734.06	0.13	(0.04)	2,736.72	0.00%	100.00%	424.90	0.00%	100.00%
October	-	-	2,840.01	-	-	2,840.01	0.00%	100.00%	398.60	0.00%	100.00%
November	-	-	-	-	-	-	0.00%	100.00%	412.53	0.00%	100.00%
December	-	-	-	-	-	-	0.00%	100.00%	406.49	0.00%	100.00%
	\$ 340,805.29	\$ -	\$ 27,880.51	\$ 0.13	\$ (5,112.08)	\$ 363,573.85	100.00%	100.00%	\$ 56,314.87	100.00%	100.00%

Assessed Valuation	Mills Levied	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund	\$ 3,988,720	22.265	88,809.00	26.06%	\$ 88,809.33	101.00%
Fire Protection	\$ 3,988,720	7.514	29,971.00	8.79%	29,971.12	101.00%
Debt Service Fund	\$ 3,988,720	55.663	222,024.00	65.15%	222,024.84	101.00%
		<u>85.442</u>	<u>\$ 340,804.00</u>	<u>100.00%</u>	<u>\$ 340,805.29</u>	

Specific Ownership Tax

General Fund	\$ 9,503.00	34.85%	\$ 9,717.53	102.26%
Debt Service Fund	17,762.00	65.15%	18,162.98	102.26%
	<u>\$ 27,265.00</u>	<u>100.00%</u>	<u>\$ 27,880.51</u>	

Treasurer's Fees

General Fund	\$ 1,332.00	26.06%	\$ 1,332.04	100.00%
Fire Protection	450.00	8.80%	450.00	100.00%
Debt Service Fund	3,330.00	65.14%	3,330.04	100.00%
	<u>\$ 5,112.00</u>	<u>100.00%</u>	<u>\$ 5,112.08</u>	

Collected GF	\$ 88,809.33	
Collected SO	9,717.53	
CSAFE Interest	3.96	
Less fees:	(1,332.04)	
Transfer to #1	\$ 97,198.78	Income Statement

Payment to Town:		
Fire Protection	\$ 29,971.12	
Less fees:	(450.00)	
Payment to Town:	\$ 29,521.12	Balance Sheet

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.



November 11, 2021

To the Board of Directors and Management
Crowfoot Valley Ranch Metropolitan District No. 2
Douglas County, Colorado

We are pleased to confirm our understanding of the services we are to provide Crowfoot Valley Ranch Metropolitan District No. 2 (the District) for the year ended December 31, 2021.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2021. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with generally accepted auditing standards (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. If you elect to omit the MD&A as in prior years, our report, under current reporting guidance, will contain a statement that MD&A is omitted, and that our opinion on the basic financial statements is not affected by such omission. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, will be subjected to the auditing procedures applied in our audit of the financial statements.

We have also been engaged to report on supplementary and other information, other than RSI, that accompanies the District's financial statements. We will subject the following supplementary and other information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund
- 3) Schedule of Debt Service Obligations and Interest to Maturity
- 4) Schedule of Assessed Valuation, Mill Levy, and Property Taxes Collected

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from

Fiscal Focus Partners, LLC

fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws,

regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for any nonattest services we may provide.

Engagement Administration, Fees, and Other

We understand that your employees or consultants will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fiscal Focus Partners, LLC (FFP) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an applicable regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of FFP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator or its designee. The regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Eric Barnes or Susan Opalinski will be the engagement partner and will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on a date mutually agreed to by your accountants and our firm, and to issue our reports no later than July 31, 2022, or September 30, 2022 if the District requests an extension of time from the state auditor.

Our fee for services will be \$5,700 plus out-of-pocket costs (such as postage, mileage, etc.) Our invoice for these fees will be rendered upon completion of fieldwork and in-house review and is payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel, contractors, and professionals, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

Contractor Certification Regarding Illegal Aliens – Public Contracts for Services

Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., we hereby certify to the District that we do not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that we participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of Fiscal Focus Partners, LLC who are newly hired to perform work under the Agreement.

In accordance with Section 8-17.5-102(2)(a), C.R.S., we shall not:

- 1) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- 2) Enter into a contract with a subcontractor that fails to certify to us that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

We represent and warrant that we have confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

We are prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If we obtain actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, we shall:

- 1) Notify the subcontractor and the District within three days that we have actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- 2) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that we shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

We shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking, pursuant to the law.

If we violate any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and we shall be liable to the District for actual and consequential damages of the District resulting

from such termination, and the District shall report such violation by us to the Colorado Secretary of State, as required by law.

We appreciate the opportunity to be of service to Crowfoot Valley Ranch Metropolitan District No. 2 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Fiscal Focus Partners, LLC

RESPONSE:

This letter correctly sets forth the understanding of Crowfoot Valley Ranch Metropolitan District No. 2.

Authorized signature: _____ Title: _____

Date: _____

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: **4437-Crowfoot Valley Ranch Metro District 2**

Date: 8/23/2021

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 IN DOUGLAS COUNTY, COLORADO.

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$3,988,720
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION‡	\$8,657,680
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$8,657,680
5. NEW CONSTRUCTION: *	\$215,860
6. INCREASED PRODUCTION OF PRODUCING MINES: ~	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ~	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): **	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	\$0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a))	\$0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution.
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ~ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
 ** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2021.

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$31,785,216
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$3,019,173
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
<small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
 ! Construction is defined as newly constructed taxable real property structures.
 % Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:
 TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:
 HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): \$0

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.
NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

10/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 31,776,786	\$ 13,046,365	\$ 9,146,730	\$ 9,146,730	\$ 6,539,490
REVENUES					
Property taxes	47,944	310,833	310,832	310,833	674,675
Specific ownership tax	4,534	27,265	16,833	33,600	53,974
Interest income	160,456	40,933	2,121	4,238	4,405
Fire protection tax	4,623	29,971	29,971	29,971	65,054
Other revenue	-	4,197	-	-	1,757
Facilities fees	18,000	636,000	333,000	636,000	576,000
Total revenues	<u>235,557</u>	<u>1,049,199</u>	<u>692,757</u>	<u>1,014,642</u>	<u>1,375,865</u>
Total funds available	<u>32,012,343</u>	<u>14,095,564</u>	<u>9,839,487</u>	<u>10,161,372</u>	<u>7,915,355</u>
EXPENDITURES					
General and administrative	19,912	132,500	124,650	130,486	275,000
Debt service	1,831,333	1,840,000	915,739	1,834,149	1,844,000
Capital projects	21,014,368	8,812,962	1,260,676	1,657,247	3,281,600
Total expenditures	<u>22,865,613</u>	<u>10,785,462</u>	<u>2,301,065</u>	<u>3,621,882</u>	<u>5,400,600</u>
Total expenditures and transfers out requiring appropriation	<u>22,865,613</u>	<u>10,785,462</u>	<u>2,301,065</u>	<u>3,621,882</u>	<u>5,400,600</u>
ENDING FUND BALANCES	<u>\$ 9,146,730</u>	<u>\$ 3,310,102</u>	<u>\$ 7,538,422</u>	<u>\$ 6,539,490</u>	<u>\$ 2,514,755</u>
CAPITALIZED INTEREST FUND	\$ 1,165,841	\$ -	\$ 253,699	\$ -	\$ -
SURPLUS FUND	3,045,974	3,310,102	3,609,318	3,259,490	2,514,755
TOTAL RESERVE	<u>\$ 4,211,815</u>	<u>\$ 3,310,102</u>	<u>\$ 3,863,017</u>	<u>\$ 3,259,490</u>	<u>\$ 2,514,755</u>

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

10/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION					
Residential	\$ 47,680	\$ 15,180	\$ 15,180	\$ 15,180	\$ 324,080
Agricultural	39,850	34,340	34,340	34,340	35,080
State assessed	8,700	6,800	6,800	6,800	3,100
Vacant land	-	3,486,300	3,486,300	3,486,300	7,864,960
Personal property	519,000	446,100	446,100	446,100	430,460
Certified Assessed Value	<u>\$ 615,230</u>	<u>\$ 3,988,720</u>	<u>\$ 3,988,720</u>	<u>\$ 3,988,720</u>	<u>\$ 8,657,680</u>
MILL LEVY					
General	22.265	22.265	22.265	22.265	22.265
Debt Service	55.663	55.663	55.663	55.663	55.663
Fire Protection	7.514	7.514	7.514	7.514	7.514
Total mill levy	<u>85.442</u>	<u>85.442</u>	<u>85.442</u>	<u>85.442</u>	<u>85.442</u>
PROPERTY TAXES					
General	\$ 13,698	\$ 88,809	\$ 88,809	\$ 88,809	\$ 192,763
Debt Service	34,246	222,024	222,023	222,024	481,912
Fire Protection	4,623	29,971	29,971	29,971	65,054
Levied property taxes	<u>52,567</u>	<u>340,804</u>	<u>340,803</u>	<u>340,804</u>	<u>739,729</u>
Adjustments to actual/rounding	-	-	-	-	-
Budgeted property taxes	<u>\$ 52,567</u>	<u>\$ 340,804</u>	<u>\$ 340,803</u>	<u>\$ 340,804</u>	<u>\$ 739,729</u>
BUDGETED PROPERTY TAXES					
General	\$ 13,698	\$ 88,809	\$ 88,809	\$ 88,809	\$ 192,763
Debt Service	34,246	222,024	222,023	222,024	481,912
Fire Protection	4,623	29,971	29,971	29,971	65,054
	<u>\$ 52,567</u>	<u>\$ 340,804</u>	<u>\$ 340,803</u>	<u>\$ 340,804</u>	<u>\$ 739,729</u>

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

10/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property Taxes	13,698	88,809	88,809	88,809	192,763
Specific ownership tax	1,580	9,503	5,867	11,700	15,421
Fire Protection Tax	4,623	29,971	29,971	29,971	65,054
Interest income	11	20	3	6	5
Other Revenue	-	4,197	-	-	1,757
Total revenues	<u>19,912</u>	<u>132,500</u>	<u>124,650</u>	<u>130,486</u>	<u>275,000</u>
Total funds available	<u>19,912</u>	<u>132,500</u>	<u>124,650</u>	<u>130,486</u>	<u>275,000</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	205	1,332	1,332	1,332	2,891
County Treasurers Fee - Fire	69	450	450	450	976
Contingency	-	4,217	-	-	1,757
Intergovernmental expenditures	15,084	96,980	93,347	99,183	205,298
Payment to Town	4,554	29,521	29,521	29,521	64,078
Total expenditures	<u>19,912</u>	<u>132,500</u>	<u>124,650</u>	<u>130,486</u>	<u>275,000</u>
Total expenditures and transfers out requiring appropriation	<u>19,912</u>	<u>132,500</u>	<u>124,650</u>	<u>130,486</u>	<u>275,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

10/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 5,955,824	\$ 4,255,403	\$ 4,211,815	\$ 4,211,815	\$ 3,259,490
REVENUES					
Property Taxes	34,246	222,024	222,023	222,024	481,912
Specific ownership tax	2,954	17,762	10,966	21,900	38,553
Facilities fees	18,000	636,000	333,000	636,000	576,000
Interest income	32,124	18,913	952	1,900	2,800
Total revenues	<u>87,324</u>	<u>894,699</u>	<u>566,941</u>	<u>881,824</u>	<u>1,099,265</u>
Total funds available	<u>6,043,148</u>	<u>5,150,102</u>	<u>4,778,756</u>	<u>5,093,639</u>	<u>4,358,755</u>
EXPENDITURES					
Debt Service					
Series 2018A Bonds Interest	1,824,819	1,824,819	912,409	1,824,819	1,824,819
County Treasurer's fee	514	3,330	3,330	3,330	7,229
Trustee fees	6,000	6,000	-	6,000	6,000
Contingency	-	5,851	-	-	5,952
Total expenditures	<u>1,831,333</u>	<u>1,840,000</u>	<u>915,739</u>	<u>1,834,149</u>	<u>1,844,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,831,333</u>	<u>1,840,000</u>	<u>915,739</u>	<u>1,834,149</u>	<u>1,844,000</u>
ENDING FUND BALANCE	<u>\$ 4,211,815</u>	<u>\$ 3,310,102</u>	<u>\$ 3,863,017</u>	<u>\$ 3,259,490</u>	<u>\$ 2,514,755</u>
CAPITALIZED INTEREST FUND	\$ 1,165,841	\$ -	\$ 253,699	\$ -	\$ -
SURPLUS FUND	3,045,974	3,310,102	3,609,318	3,259,490	2,514,755
TOTAL RESERVE	<u>\$ 4,211,815</u>	<u>\$ 3,310,102</u>	<u>\$ 3,863,017</u>	<u>\$ 3,259,490</u>	<u>\$ 2,514,755</u>

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

10/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 25,820,962	\$ 8,790,962	\$ 4,934,915	\$ 4,934,915	\$ 3,280,000
REVENUES					
Interest income	128,321	22,000	1,166	2,332	1,600
Total revenues	<u>128,321</u>	<u>22,000</u>	<u>1,166</u>	<u>2,332</u>	<u>1,600</u>
Total funds available	<u>25,949,283</u>	<u>8,812,962</u>	<u>4,936,081</u>	<u>4,937,247</u>	<u>3,281,600</u>
EXPENDITURES					
Capital Projects					
Intergovernmental Expenditure - District No.	21,014,368	8,812,962	1,260,676	1,657,247	3,281,600
Total expenditures	<u>21,014,368</u>	<u>8,812,962</u>	<u>1,260,676</u>	<u>1,657,247</u>	<u>3,281,600</u>
Total expenditures and transfers out requiring appropriation	<u>21,014,368</u>	<u>8,812,962</u>	<u>1,260,676</u>	<u>1,657,247</u>	<u>3,281,600</u>
ENDING FUND BALANCE	<u>\$ 4,934,915</u>	<u>\$ -</u>	<u>\$ 3,675,405</u>	<u>\$ 3,280,000</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

On November 4, 2014, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of November 5, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

The District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.000 mills for operating costs. Additionally, 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District. The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on June 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The property taxes levied are as shown on the Property Tax Summary Page.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8.0% of the total property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .10%.

Facilities Fees

Capital Fees are pledged to the payment of the Bonds and are generally defined to mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District at the time of issuance of the Bonds or thereafter, including Facilities Fees. The District is expected to adopt a Facilities Fee Resolution prior to the issuance of the Bonds. Capital Fees do not include Excluded Fees, which are defined in the Indentures as any fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

The Facilities Fee Resolution will impose a one-time fee in the amount of \$3,000 for each single-family or multi-family dwelling unit located within the District. The Facilities Fees are payable at the time a building permit is issued by the County for any dwelling unit. Facilities Fees are pledged to the payment of the Bonds.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Payment to Town

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 7.514 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

Series 2018 Bonds

On June 19, 2018 the District issued 2018A Senior Bonds and the 2018B Subordinate Bonds in the respective amounts of \$31,945,000 and \$3,260,000. Proceeds from the sale of the 2018A Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the 2018A Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds from the sale of the 2018B Subordinate Bonds will be used to: (i) finance or reimburse the cost of public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds are will bear interest at rates ranging from 5.625% to 5.750% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. The 2018B Subordinate Bonds are assumed to be issued at the rate of 8% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048.

The 2018B Subordinate Bonds will bear interest at 8.00% and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate then borne by the 2018B Subordinate Bonds on each December 15. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: a) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); b) all Senior Specific Ownership Tax Revenues, resulting from the imposition of the Senior Required Mill Levy; c) all Capital Fees; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds. Amounts on deposit in the 2018A Surplus Fund (if any) on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which is defined generally in the 2018B Subordinate Indenture as the following, net costs of collection: a) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); b) all Subordinate Specific Ownership Tax Revenues, resulting from the imposition of the Subordinate Required Mill Levy; c) all Subordinate Capital Fee Revenue; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Capital Fee Revenue is defined as any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. For the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2018A Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2018B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2018A Senior Bonds. Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed 2018A Senior Bonds and 2018B Subordinate Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuance of the District.

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
G.O Bonds - Series 2018B Unpaid Interest	\$ 708,082	\$ 317,447	\$ -	\$ 1,025,529
Total	<u>\$ 708,082</u>	<u>\$ 317,447</u>	<u>\$ -</u>	<u>\$ 1,025,529</u>
	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
G.O Bonds - Series 2018B Unpaid Interest	\$ 1,025,529	\$ 342,842	\$ -	\$ 1,368,371
Total	<u>\$ 1,025,529</u>	<u>\$ 342,842</u>	<u>\$ -</u>	<u>\$ 1,368,371</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Leases

The District has no outstanding indebtedness, nor any operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

Surplus Fund

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds.

This information is an integral part of the accompanying budget.

**CROWFOOT VALLEY RANC METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
LONG TERM DEBT**

Bonds and Interest Maturing in the Year Ending December 31,	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2022	\$ -	\$ 1,824,819	\$ 1,824,819
2023	-	1,824,819	1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
	\$ 31,945,000	\$ 37,258,361	\$ 69,203,361

No assurance provided. See summary of significant assumptions.

RESOLUTION NO. 2021 – 12 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2022 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2021, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 6, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Crowfoot Valley Ranch Metropolitan District No. 2 for the 2022 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 6TH day of DECEMBER, 2021.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Crowfoot Valley Ranch Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 held on December 6, 2021.

By: _____
Secretary

RESOLUTION NO. 2021 - 12 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 (“District”) has adopted the 2022 annual budget in accordance with the Local Government Budget Law on December 6, 2021; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2022 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 6th day of December, 2021.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: August 31, 2021

RE: Notice of 2022 Rate Increase

A handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (5.28%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.